

State of California
BOARD OF EQUALIZATION

ALCOHOLIC BEVERAGE TAX REGULATIONS

Regulation 2530. INVENTORIES.

Reference: Sections 32151, 32152, 32211, 32452, Revenue and Taxation Code.

(a) DISTILLED SPIRITS. Every distilled spirits taxpayer shall furnish to the board a statement of the gallonage of finished packaged distilled spirits on hand at the end of each month, or other reporting period authorized by the board.

This statement shall be made on the Distilled Spirits Taxpayer's Return. Except as provided below, at least two of these statement shall be prepared from semi-annual physical inventories, a detailed record of which must be available at all times for verification by employees of the board. For taxpayers reporting on an annual basis, the statement shall be prepared from the December semi-annual physical inventory. A detailed record of the semi-annual physical inventories must be available at all times for verification by employees of the board.

A distilled spirits taxpayer shall be relieved of the requirement of taking one of the required semi-annual physical inventories upon the filing with the board of a copy of an order of the regional director (compliance) of the Federal Bureau of Alcohol, Tobacco and Firearms waiving the taking of such inventory and approving the taxpayer's taking of physical inventories on an annual basis. Said taxpayer may continue to take physical inventories on an annual basis until such waiver is rescinded by the board or by the federal regional director (compliance). The board may rescind the waiver and reimpose the requirement of semi-annual physical inventories if it finds that such semi-annual physical inventories are necessary to law enforcement or protection of the revenue. A distilled spirits taxpayer shall furnish to the board a copy of any order of the federal regional director (compliance) for affecting the taking of physical inventories by such taxpayer within 10 days of the taxpayer's receipt of such order.

(b) BEER. Every licensed beer manufacturer shall take a physical inventory monthly of bulk and bottled beer in the brewery bottling house in such manner as provided in Title 27, Code of Federal Regulations, Section 25.294 as it reads on April 1, 1989.

(c) WINE. Every licensed wine grower shall take a physical inventory of all wine and distilling material on hand in United States internal revenue bond on June 30th of each year or, if an annual inventory period ending on other than June 30 has been approved by the regional director (compliance) of the Bureau of Alcohol, Tobacco, and Firearms, then the inventory shall be taken at the end of such annual inventory period.

(d) SUPPORTING RECORDS. All records used in preparing inventories for certification to the board shall be kept at the licensee's premises for verification by employees of the board.

History: Effective April 17, 1955.

Amended September 5, 1969.

Amended December 17, 1975, effective January 1, 1976.

Amended August 16, 1978, effective October 6, 1978. In (a) added that statement of gallonage be made on the return; specified condition for waiver of semi-annual physical inventory.

Amended December 1, 1983, effective August 22, 1984. In (b) changed "Title 26" to "Title 27". In (c) deleted requirements for two physical inventories annually and added language following "each year".

Amended November 1, 1989, effective February 1, 1990. Corrected the federal title of "regulatory administrator" to "director (compliance)".

Amended subparagraph (b) to reflect a change in numbering in the Code of Federal Regulations.